

## Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-01  
INR-10 NSAE-00 ICA-20 TRSE-00 XMB-04 OPIC-06  
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-07  
CEA-01 L-03 PA-02 /110 W  
-----004601 222204Z /45

R 212201Z APR 78  
FM AMEMBASSY LIMA  
TO SECSTATE WASHDC 9710  
INFO AMEMBASSY BOGOTA  
AMEMBASSY CARACAS  
AMEMBASSY LA PAZ  
AMEMBASSY QUITO

UNCLAS LIMA 3480

E.O. 11652: N/A  
TAGSC ECIN, EFIN, BO, CO, EC, PE, VE  
ANCOM: ANDEAN RESERVE FUND AGREEMENT RATIFIED

REF: A. 76 LIMA 10600, B. LIMA A-166 DATED 11/18/76

1. THE GO COUNCIL OF MINISTERS ON APRIL 18 ISSUED DECREE  
LAW NO. 22145 WHICH CONSTITUTES FORMAL PERUVIAN APPROVAL OF  
THE AGREEMENT TO ESTABLISH AN ANDEAN RESERVE FUND SIGNED BY  
THE DIRECTOR OF THE ANDEAN CENTRAL BANKS NOVEMBER 12, 1976.  
PERU WAS THE LAST SIGNATORY TO APPROVE THE AGREEMENT, SO  
WHEN THE PERUVIAN INSTRUMENT OF RATIFICATION IS DEPOSITED  
WITH THE CENTRAL BANK OF COLOMBIA THE AGREEMENT WILL ENTER  
INTO FORCE. THE TEXT OF THE AGREEMENT CALLED FOR RATIFICATION  
WITHIN NINETY DAYS OF SIGNING, BUT ONLY BOLIVIA AND ECUADOR  
MET THAT DEADLINE. THE OTHER THREE COUNTRIES ACTED WITHIN  
THE PAST FIVE MONTHS.

2. THE FUND IS TO HAVE \$240 MILLION OF SUBSCRIBED  
CAPITAL. COLOMBIA, PERU AND VENEZUELA ARE TO PROVIDE  
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\$60 MILLION EACH. THE SHARES FOR BOLIVIA AND  
ECUADOR ARE \$30 MILLION. THE FIRST THREE COUNTRIES  
ARE TO PAY THEIR QUOTAS IN FOUR EQUAL ANNUAL  
INSTALLMENTS AND BOLIVIA AND ECUADOR IN EIGHT. THE  
FIRST PAYMENT IS DUE WITHIN 90 DAYS AFTER ENTRY INTO  
FORCE.

3. ONCE IN OPERATION THE FUND WILL BE ABLE TO EXTEND CREDIT TO MEMBER COUNTRIES UP TO A SUM EQUAL TO THE LOWEST OF THE THREE FOLLOWING AMOUNTS; TWO AND ONE HALF TIMES THE MEMBER'S SUBSCRIBED SHARE PAID (THREE AND ONE HALF FOR BOLIVIA AND ECUADOR); THE TOTAL DEFICIT OF THE MEMBER'S BALANCE OF PAYMENTS DURING THE PRECEDING YEAR; OR, THE AMOUNT CORRESPONDING TO A PERCENTAGE (TO BE FIXED BY THE FUND) OF THE COUNTRY'S IMPORTS FROM THE ANDEAN GROUP DURING THE PRECEDING YEAR.

4. COMMENT: PERU'S FINANCIAL CRISIS MAY HAVE PROVIDED THE IMPULSE FOR ACTION NOW AFTER A LONG PERIOD OF DELAY. HOWEVER, IMMEDIATE BENEFITS ARE LIMITED. THE MAXIMUM CREDIT FOR WHICH PERU WOULD LIKELY QUALIFY IN THE FIRST YEAR WOULD BE \$37.5 MILLION (2-1/2 TIMES THE SUBSCRIBED SHARE OF \$15 MILLION). THIS BENEFIT IS REDUCED BY THE NEED TO PROVIDE \$15 MILLION AS PERU'S SUBSCRIBED SHARE IN THE NEXT THREE MONTHS. THERE IS SOME SPECULATION BY ANCOM SOURCES THAT PERU MAY BE ABLE TO OBTAIN A SHORT-TERM LOAN FROM VENEZUELA AND/OR COLOMBIA TO ENABLE PAYMENT OF THE REQUIRED \$15 MILLION SUBSCRIPTION. THE LOAN WOULD THEN BE REPAID USING PART OF THE DRAW-DOWN THAT PERU WOULD IMMEDIATELY REQUEST.

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5. TEXT OF DECREE LAW BEING POUCHED.  
SHLAUDEMAM

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LAW, TREATY RATIFICATION, APPROPRIATIONS, REGIONAL ORGANIZATIONS, CREDIT AGREEMENTS, BALANCE OF PAYMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 apr 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978LIMA03480  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** n/a  
**Expiration:**  
**Film Number:** D780300-0571, D780172-1215  
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**Office:** ACTION ARA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** ONLY  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
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**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 29 mar 2005  
**Review Event:**  
**Review Exemptions:** n/a  
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**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2894297  
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**Status:** <DBA CHANGED> VJT 20040914  
**Subject:** ANDEAN RESERVE FUND AGREEMENT RATIFIED  
**TAGS:** ECIN, EFIN, BL, CO, EC, PE, VE, ANDEAN RESERVE FUND  
**To:** STATE  
**Type:** TE  
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